Rid Investment LLC FZ. 01/05/2022

Report April 2022.

Report

In April 2022, financial markets experienced notable volatility influenced by various macroeconomic factors, including central bank policies, significant economic data releases, geopolitical tensions, and ongoing supply chain disruptions. The US Federal Reserve raised interest rates by 50 basis points, aiming to combat inflation which remained high due to persistent supply chain issues and strong consumer demand.

This policy action strengthened the US dollar, affecting global currency markets. The US dollar appreciated against major currencies, driven by the Fed's aggressive tightening stance and a robust US economic outlook. The EUR/USD pair faced pressure as the European Central Bank remained cautious about monetary policy amid uncertainties in the Eurozone's economic recovery and inflation. Geopolitical tensions, particularly the Russia-Ukraine conflict, further complicated the forex market dynamics. The demand for safe-haven assets like the US dollar increased, causing fluctuations in pairs such as EUR/USD and USD/JPY.

Geopolitical tensions significantly influenced commodity markets, particularly energy commodities like crude oil and natural gas. The ongoing conflict in Ukraine, a key transit route for Russian energy exports to Europe, raised fears of supply disruptions. As a result, oil prices reached multi-year highs, with Brent crude peaking above $105 per barrel. Natural gas prices also surged due to supply concerns in Europe.

Gold had mixed performance, initially rising as a safe-haven asset but later facing pressure from a stronger US dollar and rising real interest rates. Silver was influenced by both monetary and industrial demand, showing volatility amid supply chain issues. Crude oil saw significant gains driven by supply fears related to the Ukraine conflict. Equity markets exhibited substantial volatility as investors weighed the impact of higher interest rates on corporate profitability and economic growth.

The S&P 500 index fluctuated sharply, with technology and growth stocks particularly affected by rising borrowing costs. However, sectors like energy and materials benefitted from higher commodity prices, providing some support to broader market indices.

In response to market conditions, we adjusted our asset allocations across five investment accounts to optimize returns and manage risk effectively.

Account 1 had a 40% allocation to forex, focused on EUR/USD, GBP/USD, and AUD/CAD; a 10% allocation to indices, with investments in S&P 500 and other indices; a 10% allocation to commodities, primarily in gold, silver, and crude oil; and a 40% allocation in other diversified markets. Account 2 had a 10% allocation to forex, focused on EUR/USD and GBP/USD; a 50% allocation to indices, primarily in S&P 500 and technology indices; a 30% allocation to commodities, with a focus on crude oil and natural gas; and a 10% allocation in other diversified assets. Account 3 had a 30% allocation to forex, focused on EUR/USD, GBP/USD, and AUD/CAD; a 30% allocation to indices, with investments in S&P 500 and other indices; and a 40% allocation to commodities, primarily in gold, silver, and crude oil. Account 4 had a 20% allocation to forex, focused on EUR/USD and GBP/USD; a 10% allocation to indices, primarily in S&P 500 and technology indices; and a 70% allocation to commodities, with a significant focus on energy commodities, gold, and silver. Account 5 had a 30% allocation to forex, focused on EUR/USD, GBP/USD, and AUD/CAD; a 30% allocation to indices, primarily in S&P 500 and other indices; and a 40% allocation to commodities, with a focus on gold, silver, and crude oil.

Overall, our strategic adjustments in April 2022 resulted in a notable profit. The diversified approach and adaptive asset allocation across forex, commodities, and equity markets allowed us to navigate market volatility and capitalize on emerging opportunities. The total monthly profit was 2.1%, driven by strong positions in major currency pairs, significant gains in energy commodities and precious metals, and selective gains in energy and materials sectors amidst overall market volatility. This report underscores our expertise in managing investments in complex and dynamic macroeconomic environments, leveraging diversified strategies to achieve optimal returns while effectively managing risks.